



## AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

March 15, 2011

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

### Grants

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

### Guidance

**3/14/11** The Departments of Health and Human Services and Treasury issued a proposed rule outlining the **steps necessary for a state to apply for a State Innovation Waiver** early under §1332 of the ACA. The rule describes the application, review and reporting process for states as well as outlines how public notice should occur. The rule describes the criteria a state must meet in order to apply for a waiver in 2014 instead of 2017 including providing coverage that is at least as comprehensive and affordable to as many residents as the coverage that would be offered under new state-run health insurance exchanges and does not increase the federal deficit. Comments are due 5/13/11.

View the regulation at: <http://www.gpo.gov/fdsys/pkg/FR-2011-03-14/pdf/2011-5583.pdf>

Read the HHS press release at: <http://www.hhs.gov/news/press/2011pres/03/20110310a.html>

Read the fact sheet:

<http://www.healthcare.gov/news/factsheets/stateinnovation03102011a.html>

Read HHS Secretary Sebelius' blog at:

<http://www.whitehouse.gov/blog/2011/03/10/empowering-states-innovate>

**3/9/11** HHS (HRSA, Health Resources and Services Administration and ACF, Administration for Children and Families) announced the **establishment of the Advisory Committee on the Maternal, Infant and Early Childhood Home Visiting Program Evaluation** under

§2951(g) of the ACA to appoint an independent advisory panel consisting of experts in program evaluation and research, education, and early childhood development. The Committee will provide advice to the Secretary on the design, plan, progress, and findings of the evaluation required for the home visiting program under the ACA.

View the Federal Register notice at: <http://www.gpo.gov/fdsys/pkg/FR-2011-03-09/pdf/2011-5504.pdf>

The Advisory Committee will hold its first meeting on 3/23/11. The **public can join the meeting via webinar**. Please see the Federal Register notice for details about registration, the agenda and how to submit comments to be considered by the Committee. Comments are due 3/21/11. View the Federal Register notice at: <http://www.gpo.gov/fdsys/pkg/FR-2011-03-09/pdf/2011-5508.pdf>

**3/7/11** CMS published **proposed consumer disclosure notices** required by the ACA that insurers would have to complete and report electronically when proposing a rate increase of more than 10 percent. The proposed notice offers: the size of the increase, the driving factors behind the increase, medical service costs, recent rate history and how the firm spends rate dollars. View the notice, instructions for filling out the form, worksheets and supporting statements at CMS' website at: [CMS](#)

Read the CMS Press Release at: [CMS Press Release](#)

Read the blog by CCIIO Director, Steve Larsen at: <http://www.healthcare.gov/news/blog/ratereview03072011a.html>

The disclosure notices are part of larger rate review regulations which would apply to non-grandfathered insurance plans in the individual and small group markets under §1003, §2794 of the ACA proposed by HHS on 12/23/10 at: <http://edocket.access.gpo.gov/2010/pdf/2010-32143.pdf>

Note that the guidance listed in this section dates back to March 7, 2011. Prior guidance can be viewed at [www.healthcare.gov](http://www.healthcare.gov)

## News

**3/14/11** the Federal Advisory Board on the Consumer Operated and Oriented Plan (CO-OP) Program met to **recommend how the "consumer-governed nonprofit health plans" should be structured, financed and governed**, stressing that consumer involvement must be a priority. The ACA includes \$6 billion for start-up loans and grants to capitalize the nonprofit plans which will be awarded no later than July 1, 2013. The board recommended that HHS develop flexible criteria for the plans and recognize that the makeup of insurance markets differs in different areas of the country, including the kinds of plans and their sponsors. If these cooperative plans are created they would be one of the choices consumers could pick in the health exchanges, which are due to open in 2014. Read the Advisory Board's report at: [http://cciio.cms.gov/resources/files/co\\_op\\_faca\\_report\\_master\\_03102011.pdf](http://cciio.cms.gov/resources/files/co_op_faca_report_master_03102011.pdf)

**3/8/11** the state of **Maine was granted the first state-specific adjustment to the MLR rules** that will allow its insurers to spend 65% (rather than 80%) on medical care. The ACA allows the Secretary to adjust the MLR standard for a state if it is determined that meeting the 80% MLR standard may destabilize the individual insurance market. In order to qualify for this adjustment, a state must demonstrate that requiring insurers in its individual market to meet the 80% MLR has a likelihood of destabilizing the individual market and result in fewer choices

for consumers. Four additional states have applied for adjustments to date including Nevada, Kentucky, New Hampshire and Florida.

For more information on states and MLR visit CCIIO's website at:

<http://cciio.cms.gov/programs/marketreforms/mlr/index.html>

**3/4/11** HHS added 126 new recipients, updating the list of those organizations that have been granted **one-year "mini-med" waivers to a total of 1040 applicants**. These insurance organizations receive a temporary exemption from the annual limit requirements by certifying that a waiver is necessary to prevent either a large increase in premiums or a significant decrease in access to coverage. In addition, enrollees must be informed that their plan does not meet the coverage requirements of the ACA.

To see a breakdown of the types of applicants visit and learn more, visit CCIIO's website:

[http://cciio.cms.gov/resources/files/approved\\_applications\\_for\\_waiver.html](http://cciio.cms.gov/resources/files/approved_applications_for_waiver.html)

**3/3/11** The National Association of Insurance Commissioners (NAIC's) Professional Health Insurance Advisors Task Force released a first draft of a bill that would **remove brokers' fees from the Medical Loss Ratio (MLR) calculation**.

View the draft Agent Compensation legislative language at: [NAIC.ORG](http://naic.org)

The NAIC will hold a hearing on 3/27/11 in Austin, Texas during their spring national meeting to solicit comments on the impact of the MLR requirements of the ACA on health insurance brokers and agents. All written **testimony must be submitted by**

**3/21/11** to [tmullen@naic.org](mailto:tmullen@naic.org).

For more information: [http://www.naic.org/committees\\_ex\\_health\\_advisors\\_tf.htm](http://www.naic.org/committees_ex_health_advisors_tf.htm)

Rep. Mike Rogers (R-MI) is expected to introduce similar broker pass-through legislation and is looking for the insurance commissioners' seal-of-approval on his bill.

**3/2/11** At the request of the HHS Secretary the Institute of Medicine is undertaking a study that will make recommendations on the criteria and methods for determining and updating the **essential health benefits package**, a set of medical services and treatments that all insurers will have to cover beginning in 2014. The Committee on the Determination of Essential Health Benefits held its second meeting on 3/2/11- 3/3/11. Part of the first day was a public session. The committee focused on state benefits and what benefits a "typical" plan includes.

The agenda can be found at:

<http://iom.edu/Activities/HealthServices/EssentialHealthBenefits/2011-MAR-02/Agenda.aspx>

Presentations from Meeting 2 can be found at:

<http://www.iom.edu/Activities/HealthServices/EssentialHealthBenefits/2011-MAR-02.aspx>

## EOHHS News

**3/1/11** MassHealth submitted comments to the Agency for Healthcare Research and Quality (AHRQ) on the proposed **Initial Core Set of Health Quality Measures for Medicaid Eligible Adults** under §2701 of the ACA. The comment period has closed but a link to the December, 30 2010 Federal Register notice can be found

here: <http://edocket.access.gpo.gov/2010/pdf/2010-32978.pdf>

The comments can be viewed online at our website, under the State and Federal Communications Section at: [Mass.GOV](http://Mass.GOV)

## Upcoming Events

### **Next Quarterly Stakeholder Meeting**

Patient Protection and Affordable Care Act Implementation meeting

Tuesday June 21, 2011 from 3:00-4:00 P.M.

1 Ashburton Place, 21<sup>st</sup> floor, Boston

Don't forget to add our website to your favorites: [www.mass.gov/nationalhealthreform](http://www.mass.gov/nationalhealthreform)